

Message Text

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DEPARTMENT PASS AGRICULTURE

E.O. 11652 N/A

TAGS: EAGR UR

SUBJ: USSR: AGRICULTURAL DEVELOPMENT PLANS FOR 1975

1. DURING THE SECOND SESSION OF THE SUPREME SOVIET, N.K. BAYBAKOV, CHAIRMAN OF GOSPLAN OF THE USSR, IN HIS SUMMARY ON AGRICULTURE INDICATED THAT DESPITE UNFAVORABLE CLIMATIC CONDIDITONS TOTAL UNCLASSIFIED

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GRAIN PRODUCTION IN 1974 REACED 195.5 MILLION TONS, SECOND

HIGHEST HARVEST ON RECORD. COTTON PRODUCTION SET A NEW RECORD OF 8.4 MILLION TONS WHICH WAS MUCH ABOVE THE PLANNED LEVELS. SOME SECTORS OF AGRICULTURAL PRODUCTION FAILED TO MEET THEIR PRODUCTIONS LEVELS. THESE INCLUDED SUGARBEETS, OIL SEEDS (PRIMARILY SUNFLOWER), POTATOES, VEGETABLES, FLAX FIBER AND OTHER CROPS WHICH PROBABLY INCLUDED CORN FOR GRAIN. DESPITE TWO DIFFICULT YEARS IN AGRICULTURE (1972 AND 1974) GROSS AGRICULTURAL PRODUCTION DURING THE PAST FOUR YEARS WILL EXCEED THE LEVELS OF THE COMPARABLE PERIOD DURING THE EIGHT YEAR PLAN BY 15 PERCENT. HOWEVER, 1974 GROSS AGRICULTURAL PRODUCTION WILL BE BELOW THAT OF 1973 (SEE COMMENTS). LABOR PRODUCTIVITY IN AGRICULTURE SHOWED A 14.6 PERCENT RISE, THE LOWEST GAIN DURING THE LAST FOUR YEARS AMONG THE MAJOR LABOR SECTORS IN THE SOVIET ECONOMY, SPECIFICALLY -- INDUSTRY 26.4 PERCENT AND CONSTRUCTION 22.6 PERCENT.

2. THE VALUE OF GROSS AGRICULTURAL PRODUCTION FOR 1975 IS EXPECTED TO SURPASS 100 BILLION RUBLES. ALTHOUGH NO SPECIFICS WERE LISTED THE RISE IN THE OUTPUT IS EXPECTED TO COME FROM HIGHER INVESTMENTS IN AGRICULTURE, BETTER UTILIZATION OF FINANCIAL AND OTHER RESOURCES AS WELL AS FROM INCREASES IN LABOR PRODUCTIVITY.

3. TOTAL CAPITAL INVESTMENT DURING 1975 IN THE NATIONAL ECONOMY, FROM ALL SOURCES, WILL REACH 113 BILLION RUBLES. OF THIS TOTAL STATE SHARE WILL BE 98.6 BILLION RUBLES, SOME EIGHT PERCENT HIGHER THAN THE CURRENT YEAR'S LEVEL. OF THIS TOTAL, CAPITAL INVESTMENT IN AGRICULTURE FROM STATE AND OTHER SOURCES DURING 1975 IS TO REACH 37.1 BILLION RUBLES, WHICH WILL MAKE IT 7.8 PERCENT HIGHER THAN IN 1974. OF THIS TOTAL, STATE SHARE WILL ACCOUNT FOR 20.8 BILLION RUBLES OR 12 PERCENT MORE THAN ITS SHARE IN 1974. TO FURTHER STRENGTHEN FARM DEVELOPMENTS, LARGELY IN THE FIELD OF LIVESTOCK COMPLEX DEVELOPMENTS AND INDUSTRIAL MATERIALS PURCHASES, STATE WILL MAKE AVAILABLE TO AGRICULTURE A 10.2 BILLION CREDIT FUND. TOTAL CAPITAL INVESTMENT IN AGRICULTURE DURING THE CURRENT FIVE YEAR PLAN IS EXPECTED TO REACH 113 BILLION RUBLES OR SOME 30 PERCENT OF THE TOTAL CAPITAL INVESTMENT IN THE NATIONAL ECONOMY DURING 1971-75. THIS VAST SUM IS COMPARABLE TO THE TOTAL INVESTED IN THE NATIONAL ECONOMIC SECTOR DURING 1975.

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4. LAND IMPROVEMENT WORK, MORE FERTILIZERS AND INCREASED NUMBERS OF FARM MACHINERY ARE PLANNED TO AID AGRICULTURAL DEVELOPMENTS DURING 1975. ADDITIONAL 985,000 HECTARES OF IRRIGATED LAND ARE TO BE BROUGHT INTO PRODUCTION IN 1975, WITH ALL COSTS SCHEDULED TO COME FROM STATE FUNDS. THUS THE TOTAL NEW IRRIGATED LAND BROUGHT INTO PRODUCTION DURING 1971-75 WILL REACH 3.7 MILLION HECTARES. FURTHER LAND IMPROVEMENTS AND RECLAMATION

ON ADDITIONAL ONE MILLION HECTATES DURING 1975 WILL RAISE THE TOTAL LAND IMPROVEMENTS DURING THE CURRENT FIVE YEAR PLAN TO SOME 4.4 MILLION HECTATES. FOR THE LAND IMPROVEMENT WORK IN THE NON-CHERNOZEM ZONE 3.5 BILLION RUBLES WILL BE EXPANDED DURING 1975. FARM EQUIPMENT AND MACHINERY DELIVERIES TO THE AGRICULTURAL SECTOR ARE TO CONTINUE DURING 1975 ACCORDING TO PLAN. HOWEVER, UPWARD ADJUSTMENTS WILL BE MADE IN THE DELIVERY OF COMBINES AND TRACTOR TRAILERS, FOR WHICH THE DELIVERY LEVELS WERE NOT MET. THE BLAME FOR THIS FAILURE IS LAYED ON INDUSTRY FOR FAILING TO IMPLEMENT AND EXPAND THEIR PRODUCTION CAPACITY OUTLINED IN THE 1974 PLAN. DURING THE CURRENT FIVE YEAR PLAN TOTAL VALUE OF FARM EQUIPMENT DELIVERED TO AGRICULTURE IS EXPECTED TO REACH 35 BILLION RUBLES OR 30 PERCENT OF THE TOTAL CAPITAL INVESTMENT IN AGRICULTURE DURING THIS PERIOD. COMPARED TO THE EIGHTH FIVE YEAR PLAN CAPITAL INVESTMENT IN FARM EQUIPMENT DURING 1971-75 WILL BE GREATER BY ABOUT 52 PERCENT. TOTAL FERTILIZER DELIVERIES TO THE FARM SECTOR IN 1975 ARE SET AT 72.4 MILLION TONS, ABOUT 12 PERCENT ABOVE THE 1974 LEVEL. FERTILIZER CONSUMPTION IN SOVIET AGRICULTURE DURING 1971-75 WILL THEREFORE REACH A TOTAL OF ABOUT 300 MILLION TONS.

5. FURTHER DEVELOPMENT OF LIVESTOCK AND POULTRY COMPLEXES CONTINUES TO BE ONE OF THE MOST IMPORTANT TASKS IN SOVIET AGRICULTURE AND IN LINE WITH THE EFFORTS TO RAISE THE OUTPUT OF LIVESTOCK PRODUCTS IN THE USSR. FOR 1975 PLANS CALL FOR THE CONSTRUCTION OF ADDITIONAL FACILITIES FOR 7.7 MILLION EGG LAYERS, AND 20.6 MILLION HEAD OF POULTRY FOR MEAT. THE CONSTRUCTION OF ADDITIONAL FACILITIES FOR 1.4 MILLION SWINE IS ALSO PLANNED DURING 1975.

6. DURING THE COURSE OF THE SPEECHES BY REPRESENTATIVES FROM VARIOUS REPUBLICS THE FOLLOWING INFORMATION ON GRAIN PRODUCTION AND PURCHASES WAS MADE AVAILABLE: UKRAINE: PRODUCTION 46 MILLION TONS, PURCHASES 16.5 MILLION TONS; RSFSR: PRODUCTION UNCLASSIFIED

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111.6 MILLION TONS, PURCHASES 43 MILLION TONS; KAZAKHSTAN: PURCHASES ONLY 9.8 MILLION TONS (600,000 POODS). GIVEN PRODUCTION FOR THE RSFSR AND THE UKRAINE AND ASSUMING A CROP OF 20 MILLION TONS IN KAZAKHSTAN, THE BALANCE OF APPROXIMATELY 18 MILLION TONS WOULD HAVE TO COME FROM BELORUSSIA, THE BALTCI STATES, AND SOME OF THE OTHER GRAIN PRODUCING AREAS WHICH REPORTEDLY ACHIEVED EVEN BETTER HARVEST THAN IN 1973.

7. COMMENTS: THE ANNOUNCED 195.5 MILLION TON GRAIN PRODUCTION WAS NOT UNEXPECTED AND FALLS WITHIN THE PREVIOUSLY PREDICTED TWO PERCENT RANGE OF ERROR. THE REPORTED DOWNTURNS FOR SUGARBEETS AND OILSEEDS ALSO CONFIRMS OUR EARLIER ESTIMATE FOR THESE CROPS. OVERALL WE WOULD JUDGE THAT THE 1974 GROSS OUTPUT FOR AGRICULTURE WILL BE LESS THAN 1973. BASED ON COMPARATIVE RESULTS WITH THE PREVIOUS FIVE YEAR PLAN GROSS OUTPUT FOR

1974 IS ESTIMATED AT 93 BILLION RUBLES AND WOULD BE ABOUT 3.5 PERCENT BELOW 1973. THE REPORTED PLANS FOR 1975 DO NOT EXHIBIT CAUSE FOR ANY EXTRA THRUST NEEDED TO OBTAIN THE AVERAGE LEVELS OF OUTPUT EXPECTED UNDER THE INITIAL GOALS FOR THE FIVE YEAR PLAN. LACKING WERE SPECIFIC PRODUCTION TARGETS FOR 1975. HOWEVER THE CONTINUED STRONG BUDGET CONTRIBUTION TO AGRICULTURE LEAVES LITTLE DOUBT ABOUT THE PRIORITY GIVEN TO THIS SECTOR. INVESTMENT PLANS, FOR EXAMPLE, CONFIRM A FURTHER EXPANSION OF LIVESTOCK COMPLEXES, LAND RECLAMATION, AND THE ADDITIONAL FERTILIZER INPUTS TO HELP IMPROVE YIELDS. THE SLOWER GAINS NOTED IN LABOR PRODUCTIVITY FOR AGRICULTURE -- 14.6 PERCENT IN FOUR YEARS COMPARED TO 26.4 PERCENT FOR INDUSTRY POINTS TO A MAJOR PROBLEM AREA AND RAISES A SERIOUS QUESTION ABOUT THE EFFICIENCY OF CAPITAL INPUTS.

8. SOURCES: SELSKAYA ZHIZN, DECEMBER 19; PRAVDA, DECEMBER 19, 20; IZVESTIYA, DECEMBER 18, 19.
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